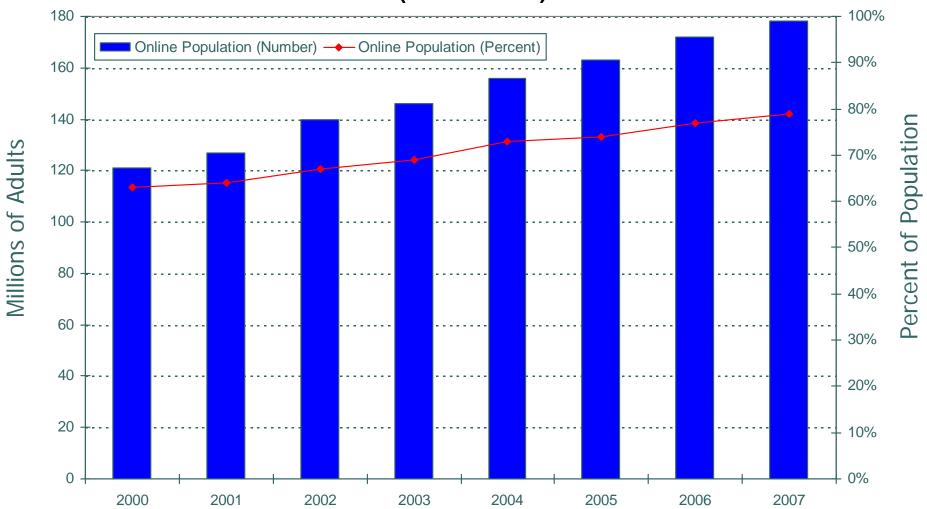




U.S. Telecommunications Regulation and Market Developments September 2008

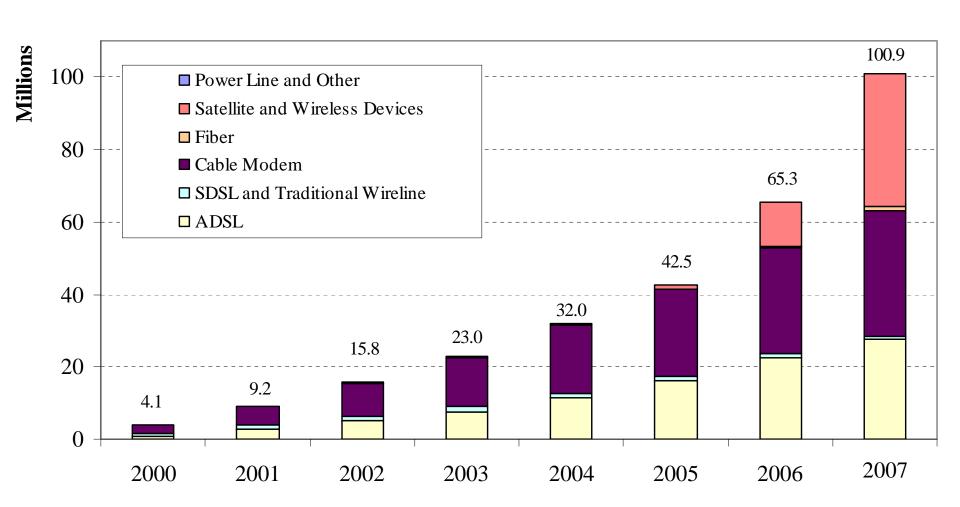
US Online Population (2000 – 2007)



Source: Harris Interactive.



High Speed Line Growth (2000 – 2007)*

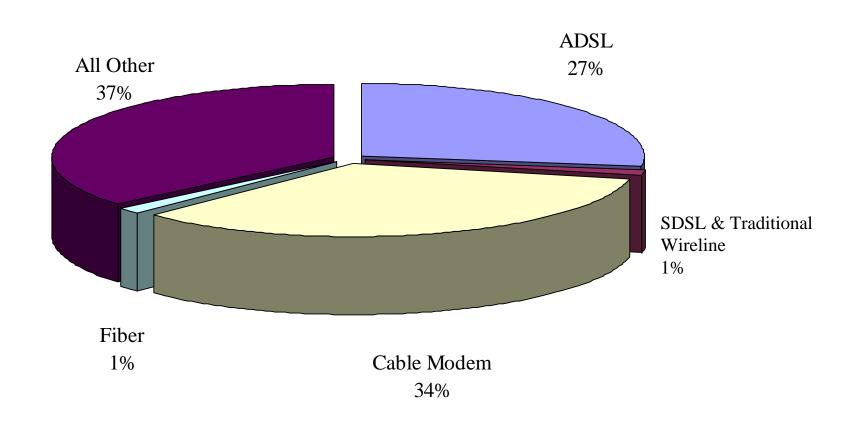


[•] All figures as of June 30th.

Source: FCC's High Speed Services for Internet Access Report, March 2008, at 6.



High-Speed Lines in the US by Technology as of June 30, 2007





Wireline Broadband Prices and Speeds

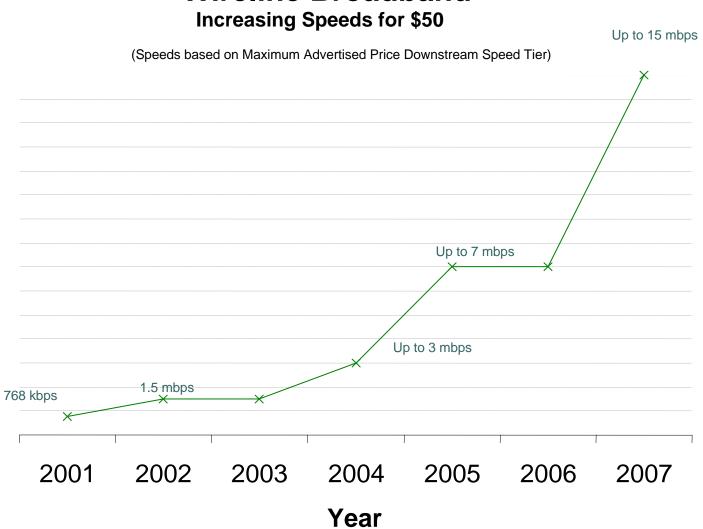


2007

2001



Wireline Broadband



Source: USTelecom: The Broadband Association, Wireline Broadband Pricing 2001-2007, June 2008

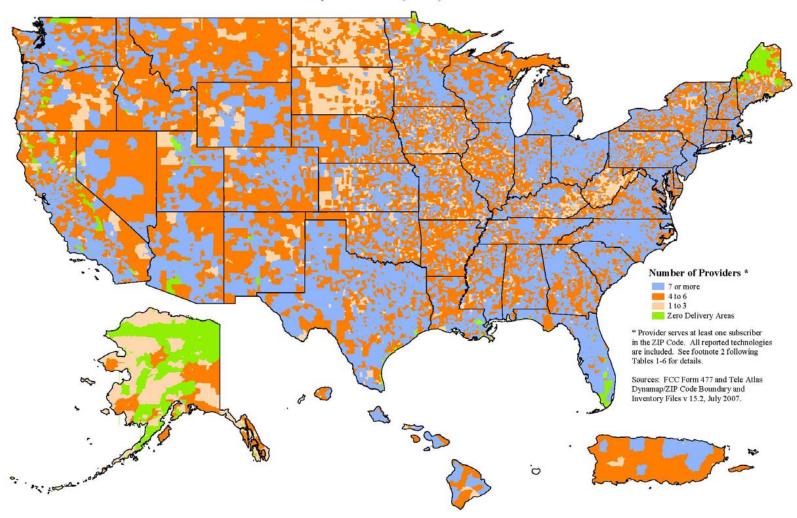


FCC Affirms Its Authority to Protect Vibrant and Open Internet **DEER CONTENT ISP #2 PEER CONTENT** All Internet Users Affected **ISP #1 USER/PEER** W/ CONTENT **PEER CONNECTIONS DEER CONTENT TERMINATED WITH** FALSE "RESET" MESSAGE **ISP** #3 **USER/PEER** W/ CONTENT





(As of June 30, 2007)



Prepared by the Federal Communications Commission, Wireline Competition Bureau, Industry Analysis and Technology Division



Other New Broadband Technologies

- OWireless Broadband
 - WiMax
 - LTE (Long Term Evolution)

OBroadband Over Powerline

OFTTH

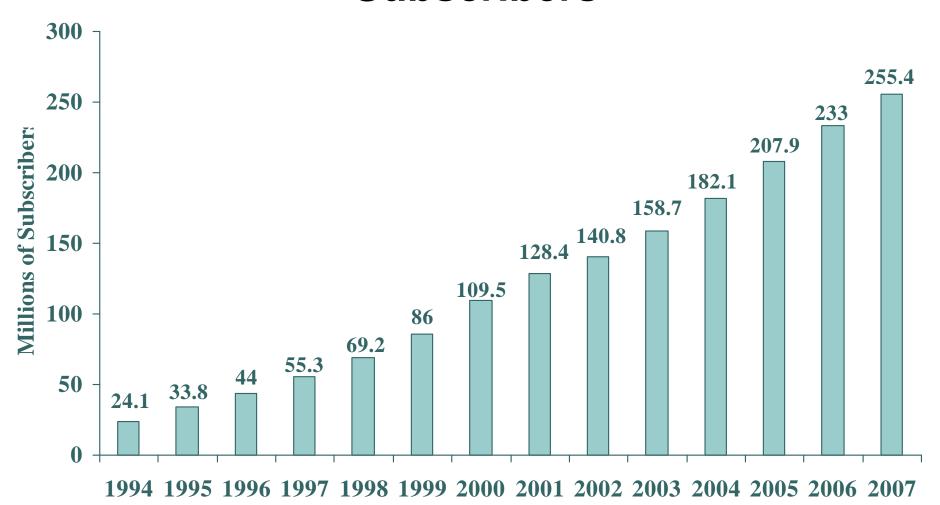


700 MHz Band and the DTV Transition

- O 700 MHz band -- critical to development of an alternative broadband platform for:
 - Public Safety
 - Commercial Wireless Services
- Open Platform for 1/3 of the band consumers may use the wireless device of their choice
- 10 MHz block ("D Block") for the creation of a national public safety network
 - No bid met reserve price
 - FCC seeking comment on rules governing the public/private partnership to achieve public safety network goal



Total US Mobile Telephone Wireless Subscribers





Growth in the Mobile Telephone Industry

(June 2002 – June 2007)

243 Million Subscribers in June 2007

> VP 81% From 135 Million Subscribers In June 2002

Subscribers

\$133 Billion in Annualized Revenues June 2007

88%
From \$71
Billion in
Annualized
Revenues
June 2002

Service Revenues 734 Avg Monthly MOUs in June 2007

VP 84% From 398 Average Monthly MOUs in June 2002

Minutes of Use

Price per minute \$0.07 in June 2007

Price per minute

DOWN 43% From

From \$0.12 per minute in June 2002